

A meeting of the Berkley Public Safety Pension Board was called to order by Chairperson Herriman at 04:05 PM on Monday November 18, 2019.

Present: Chairperson Herriman
Treasurer Pollock
Member Maisonneuve
Secretary Smith

Absent: Member Robinson

Others Present: Brett Reardon – Plante Moran
Paul Olmsted – Plante Moran

APPROVAL OF THE AGENDA

A motion was made by Maisonneuve, to approve the agenda with support by Smith.

Ayes: Herriman, Pollock, Maisonneuve, Smith
Nays: None
Abstain: None
Absent: Robinson
Motion Carried

APPROVAL OF MINUTES

A motion was made by Smith, supported by Maisonneuve, to approve the October 21, 2019 minutes.

Ayes: Herriman, Pollock, Maisonneuve, Smith
Nays: None
Abstain: None
Absent: Robinson
Motion Carried

CITIZEN COMMENTS – None

OLD BUSINESS – Richmond Capital Investment Performance Update – Olmsted advised the board that an overview of Richmond Capital would take place during the quarterly report.

NEW BUSINESS –

1. Invoices

Invoices were presented from Loomis Sayles, Harding Loevner, Boston Partners, Cambiar and PNC. Pollock confirmed all were within normal ranges.

A motion to pay the bills was made by Maisonneuve and supported by Smith.

Ayes: Herriman, Pollock, Maisonneuve, Smith

Nays: None

Abstain: None

Absent: Robinson

Motion Carried

2. 3rd Quarter Investment Summary from Cambiar

A motion to receive and file the report was made by Smith and supported by Maisonneuve.

Ayes: Herriman, Pollock, Maisonneuve, Smith

Nays: None

Abstain: None

Absent: Robinson

Motion Carried

3. Plante Moran 3rd Quarter Investment Report

Reardon began with a general overview. He stated the economy is continuing to do well with a strong labor market and muted inflation. Also, unemployment remained near all-time lows along with strong consumer confidence. Interest rates have gone lower in the U.S., however, they are still higher relative to the rest of the world. Reardon did state that the manufacturing sector has been hit hard by the trade tensions with China. He stated the markets are continuing to do well as are bond returns and equities.

Next, Olmsted gave a review of fixed income investments. He stated long term interest rates have dropped over the year along with the Fed cutting short term rates. Negative yield countries have created demand for U.S. bonds and low inflation is keeping rates lower. He acknowledged that Richmond Capital has underperformed the Barclays Aggregate over the past 12 months but added that it is not surprising given current interest rates. Olmsted told the board the fund is specifically designed to be less sensitive to interest rates and they are trying to avoid the effects of interest rate volatility. Over the last 5 years and since inception in 2010, Richmond Capital, is outperforming the Barclays Aggregate and Olmsted stated Plante Moran has confidence in them going forward.

Finally, Reardon gave a review of the pension fund's performance. He informed the board that the fund outperformed its peer benchmark in the 3rd quarter. He also stated all investments were performing well over the long term. He did note that Boston Partners had underperformed over the last year but not enough to be a cause for concern. Cambiar also had been underperforming but has had a strong 3rd quarter and Reardon is comfortable with keeping them in the portfolio. Harding Loevner had also seen some underperformance but it was an anomaly based on their

long term results. No changes to the portfolio were recommended. Reardon also informed the board that quarter to date the fund was up about 2.6% and year to date it was up about 17%.

A motion to receive and file the report was made by Maisonneuve with support from Smith.

Ayes: Herriman, Pollock, Maisonneuve, Smith

Nays: None

Abstain: None

Absent: Robinson

Motion Carried

4. Discussion Item

Pollock informed the board that he had received 3 questions from retired PSO Louis Tanghe regarding his pension. The first two were able to be addressed by Cynthia Billings. The third was regarding his FAC calculation. Pollock stated he reviewed the documentation used by the city to determine the FAC, about 4 years ago and believes it was done accurately. Pollock stated he would provide Tanghe with the information and advise the board if any further action was needed.

ADJOURNMENT

Due to no items needing to be addressed on the December agenda the board decided to cancel the December meeting and reconvene at the next scheduled meeting on January 27, 2020.

A motion to adjourn was made by Smith, supported by Maisonneuve at 04:43 PM.

Ayes: Herriman, Pollock, Maisonneuve, Smith

Nays: None

Abstain: None

Absent: Robinson

Motion Carried

Next regularly scheduled meeting date is January 27, 2020 at 04:00 PM.